

TESTIMONY TO SENATE URBAN AFFAIRS AND HOUSING COMMITTEE

On the PA Housing Affordability and Rehabilitation Enhancement Fund (PHARE)
Presented by Charles Morris, Chair, Greene County Commissioners
9:50 am June 11, 2014

Good morning and thank you for the opportunity to share Greene County's experience with the PHARE program. My name is Charles Morris and I am Chairman of the Greene County Commissioners.

Greene County, population 38,000, has 559 active Marcellus Shale gas wells, the sixth highest number in Pennsylvania. The commensurate influx of out of state workers has resulted in serious impacts on our housing market, especially the rental market for lower income families. Landlords who had previously rented to these families are now charging rents to the drillers that are 2-3 times higher. This has resulted in a severe decline in the number of affordable rental properties for Greene County residents and for some, a descent into homelessness. A dramatic statistic illustrating this impact is that during the January 2013 one night count of the homeless, 65 homeless individuals were identified, compared to only 1 individual in 2012. In addition, even though the County Housing Authority only has 30 HUD Section 8 Housing Choice Vouchers, voucher holders are returning them unused to the Authority because they cannot find units that meet HUD affordability and habitability standards.

Greene County has not stood idly by observing these changes. We have been extremely proactive in addressing housing needs. In 2010, the County established the Greene County Housing Team that brings together its key housing officials with the County Commissioners, including the Directors of Human Services, Aging and Adult Services, the Housing Authority, Redevelopment Authority, Economic Development and township community development offices to prioritize and address unmet housing needs in the County. The highest priority need identified in 2012 by the Housing Team was for increased rental housing for seniors. They then issued a Request for Information to potential developers interested in developing senior housing, resulting in PIRHL Developers proposing a 52 unit housing development for seniors in Waynesburg.

The County has also been meeting on a regular basis with landlords who are working with the Housing Choice Voucher and other county supported programs. In addition, through the Greene County Human Services Department, the County has applied for and received a number of grants to expand housing services for homeless and formerly homeless households, Children and Youth families and behavioral health consumers and seniors, including rental assistance for over 60 households.

The PHARE funds made available through the Pennsylvania Housing Finance Agency have been invaluable in enabling us to further expand affordable accessible housing options, including the funding of several highly innovative projects. Greene County was awarded a total of \$600,000 of PHARE in 2012 and \$1,114,164 in 2013. It is important to note that the PHARE funds have been especially helpful due to its flexible funding guidelines. This enabled us to develop projects that fit Greene County's unique needs and resources that would not have been eligible under PHFA's traditional funding programs. Other PHFA programs, such as the Low Income Housing Tax Credit program, are most effective for large rental development projects. Although these projects are also appropriate for Greene County, with the flexible PHARE dollars, we have been able to address a much wider range of targeted local housing needs.

The Greene County Commissioners and the Greene County Housing Team has identified the following priorities for the 2012 PHARE funding (\$600,000):

- \$250,000 to the Greene County Redevelopment Authority for acquisition and demolition or rehabilitation of properties for residential re-use. It is estimated that 23 parcels will be made available for lease or purchase by lower income households through this program.
- \$200,000 to supplement the County's Housing Rehabilitation Program to rehab up to 8 owner occupied properties.
- \$150,000 to Greene County Human Services for Landlord Rental Rehabilitation and Homeless Prevention and Rapid Rehousing of low income, persons with disabilities and seniors.

The priorities identified with the 2013 PHARE funding (\$1,114,164) are:

- \$600,000 to the Greene County Redevelopment Authority to supplement the acquisition/demolition and rehabilitation program.
- \$514,164 to the Accessible Dreams "quadruplex".

Two of these Greene County projects are extremely innovative. The first is the construction of the quadruplex in Jefferson Borough on property acquired by the Redevelopment Authority through the PHARE grant. The County is supporting Accessible Dreams in this effort, a new non-profit organization dedicated to expanding affordable, accessible housing in southeastern PA. The new four unit structure will contain two fully accessible two bedroom units on the ground floor for persons with mobility impairments, and two additional two bedroom units on the second floor for individuals needing affordable rental housing. Rental assistance will be provided for two of the units through the Housing Authority and referrals will come through the Greene County Office of Human Services, Greene County Housing Authority, the Southwestern AAA, Tri-County Patriots for Independent Living (TRIPIL), and the Accessible Dreams data base of consumers seeking accessible housing. Referring agencies will also provide services to residents as needed. This project is the first of a prototype for in-fill housing that will be replicated throughout the Commonwealth to expand accessible housing in community-based settings.

The second innovative project emerged from our on-going meetings with local landlords. It became apparent that there is not only a need for additional rental assistance, but also that many potential rental properties are below standard and are in need of rehabilitation to bring them into compliance with local and federal property standards. In response, we will use PHARE funds to pilot Rental Rehabilitation Program for landlords that have been working with the County Human Services Department for at least one year. Landlords will be able to obtain a grant of up to \$7,500 per unit to cover 50% of the cost of bringing the property up to HUD Housing Quality Standards. They must agree to lease the units to individuals referred through the County for at least three years or to return a pro rated share of the grant. At least 8 landlords have already expressed interest in the program to rehabilitate existing units and one landlord stated that this program could enable him to purchase a new apartment building that needs rehabilitation. This program has the potential not only to provide additional affordable housing, but also to eliminate blight in the community.

Finally, should the PIRHL 52 unit senior apartment project in Waynesburg receive an allocation of PHFA Low Income Housing Tax Credits, it is the County's intention to apply for PHARE funds to close the financing gap.

In closing, the PHARE program has proven invaluable to Greene County in meeting our unique local housing needs. However it is important to recognize that Pennsylvania communities that do not have access to the PHARE dollars are also facing critical needs for affordable, accessible housing and need access to additional resources. I therefore strongly urge you to establish a \$25 million annual investment in the State Housing Trust Fund through a dedicated revenue source in order to extend this flexible housing funding opportunity throughout the Commonwealth. Thank you very much.